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ABSTRACT

This fourth annual report of the Southeastern Library Network (SOLINET) documents its disaffiliation from the Southern Regional Education Board (SREB); the increased strength and solidity of the whole organization as evidenced by the addition of 44 new member institutions and 48 new terminals in member libraries; the increased ability to meet the needs of its members as exhibited by the reconfiguration of the leased line circuits from seven to 14 to improve response time; addition of a second Assistant Training Coordinator, and the establishment of an accounting department. Appendices include a summary of the action of the Board of Directors and administrative activities; data on membership, equipment, use of shared cataloging, personnel changes, and publications; lists of network, board, staff and committee members; and the network's bylaws, memorandum of agreement, and financial statements. (Author/MBR)

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

Annual Report

1976-1977

IR000084

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Southeastern Library Network, Incorporated (SOLINET) was, for a portion of the year reported in this document, an affiliate of the Southern Regional Education Board (SREB).

FOREWORD

Professionals concerned with libraries and information services began talking about development of a nation-wide library network some years ago. At the beginning the concepts of such a network were far from uniform. Some talked about a highly centralized — even monolithic — organization of collections and services. Others expressed the view that the elements were already in place — they were and should be widely decentralized and linked together by an unspecified electronic configuration. There were also voices favoring a middle position with some portions of the network centralized and other parts widely flung.

That was years ago. Since that time progress toward a nation-wide library network has been tortoise-paced. The majorities now cluster around a temperate view that approves standardization of record elements, centralization of bibliographic records, wide interlocking of resource collections, and points of contact for user services. It might be wondered where the discussions have brought us with respect to this envisioned network. A disoriented feeling about a little-understood goal is neither uncommon nor unnatural.

People want to know where they are. Haven't you heard someone say, "I woke up and just for a moment I didn't know where I was." Remembrance of a like panic causes us to empathize with the individual. We seek a frame of reference. We seek landmarks to help us identify with time and space. Such a penchant for orientation drives us to want measures — in known units — to provide a sense of security. Sometimes an estimate is sufficiently precise — as when we say something is "half complete," or we are "halfway there" or "almost home."

SOLINET expects to be an important part of the nation-wide library network but the requirement for a statement of where we are in the progress toward a position in this network makes us uncomfortable. We know we have started; we know we are not there. But we can't tell where we are along the path. We measure our progress by deduced reckoning ("dead" reckoning), keeping to the right direction by resolutely following the informed (and moneyed) leadership of (particularly) the Library of Congress. The Network Development Office, established in the Library of Congress Office of the Librarian, with the backing of both the Council on Library Resources and the National Commission on Libraries and Information Science, has set a course for action. The Office has directed the appointment of committees and the letting of contracts that will eventually provide the information on where we are as well as where we can be if the program captures the vision and the understanding of Congress at appropriations time.

Meanwhile, SOLINET is not standing still nor is it sliding backward. The members evidence their concern for a bibliographic data base that will be accurate and pellucid for the user. The staff is concerned with the construct on of a distributive network in which tasks are completed at the service level where they are most economical and productive. The Board of Directors is looking for the best possible relationship between services desired and the cost of those services to the members. They seek, too, the way to fulfill the expectation with which the network began — the development of a regional bibliographic data center responsive to regional needs and regional direction. This Annual Report can give some of the relevant data regarding our programs. The report tells how many, how much, and at what cost. It cannot tell where SOLINET is in its progress toward a position as a regional center or node in the network we can but dimly envision.

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SOLINET Board of Directors, 1976-1977

Standing, L-R: Gustave A. Harrer, James F. Govan, Charles H. Stevens, Joseph F. Boykin, Jr., William C. Highfill, Robert H. Simmons. Seated: Joel A. Stowers, Carroll A. Gardner, Jr., Shirley M. Tarlton, Frank P. Grisham, John T. Demos.
Not pictured: Robert C. Edwards.

Introduction

This is the fourth annual report of the Southeastern Library Network, Inc. (SOLINET). The events of the year — from July 1, 1976 through June 30, 1977 — give light to the path SOLINET is marking for itself. During the year, SOLINET took the necessary steps toward independence, and progressed toward the fulfillment of the objectives with which it was established. Among the steps taken were:

- disaffiliation with the Southern Regional Education Board (SREB), and the correlated move to new offices and hiring of additional staff members;
- addition of forty-four new member institutions;
- installation of forty-eight new terminals in member libraries;
- increased cataloging on the online system by 54% from fiscal year 1976;
- completion of the study entitled "Computer Output Microfilm (COM): An Alternative to Card Catalogs for SOLINET Members";
- investigation of the feasibility of providing information retrieval services to SOLINET members;
- issuance of requests for proposal to computer manufacturers for the hardware needed to establish the SOLINET Data Center, and the decision to purchase the hardware from the Burroughs Corporation;
- reconfiguration of the leased line circuits from seven to fourteen to improve response time for SOLINET members;
- addition of a second Assistant Training Coordinator; and
- establishment of an accounting department.

This annual report not only documents the disaffiliation from SREB; it also documents the increased strength and solidity of the total SOLINET organization. The evidence can be found in the members' increased confidence with the Ohio College Library Center (OCLC) system, in the Board's ability to guide and direct the path the network is to take, and in the staff's increased ability to anticipate and meet the needs of the members.

Southern Regional Education Board (SREB)

On January 31, 1977, SOLINET became administratively independent. As it began in 1972,however, there were some who doubted that SOLINET should try to develop its administrative base and its fiscal policies alone. There was a strong impulse to place SOLINET within the existing framework of an established organization to provide the credibility, as well as the experience, of a known entity. Tulane University was among the first to offer both space and a governance umbrella under which SOLINET could begin. Tulane, however, was not selected; its location in New Orleans would have been an obstacle to some proposed technical developments that required a central location within the region.

The Southern Regional Education Board (SREB) evidenced an early interest in SOLINET. In addition to the powerful influence of the SREB members (governors, state legislators, and others) as individuals, the SREB staff had done its best to help SOLINET get started.

At its own expense, SREB had mailed to potential members a questionnaire seeking favorable response for charter memberships to SOLINET. Furthermore SREB helped SOLINET by encouraging educational administrators to support SOLINET and to consider seriously the opportunity to assist this cooperative activity. The fledgling network was offered the respectability of a well-known name in southern education. It was hardly strange, then, that when office operations for SOLINET began in the spring of 1974, an alliance between the two organizations was formalized — first, by an article in the SOLINET bylaws, and, second, by a memorandum of agreement between SREB and SOLINET. The effect of the first action was to give SREB a voice in SOLINET operations by placing two SREB appointees on the SOLINET Board of Directors. The memorandum of agreement provided for SREB to give administrative services to SOLINET. It states the nature of certain procedures in personnel and fiscal management and, finally, sets forth the details of the working relationship including the circumstances under which either party might end the affiliation.

For some months the relationship between the parties had advantages for each. SREB had within its province a nascent but swiftly growing activity that would produce a solid impact on inter-institutional and interstate cooperation in higher education. SOLINET received administrative help in the form of accounting, purchasing, personnel, and publications assistance as well as space and furnishings (at SOLINET expense). SREB appointees to SOLINET were Dr. Carroll A. Gardner, Jr., and Dr. Robert C. Edwards. These individuals gave the other SOLINET Board

members the benefit of their wide experience in regional educational matters not specifically related to libraries.

The affiliation developed some weaknesses that led, finally, to dissolution of the affiliation. SOLINET, in adhering to the management systems of SREB, found those systems to be less flexible than had been expected. SOLINET held a self-image of an independent non-profit corporation whose affiliation with SREB should be on a basis of co-equal partnership. SREB looked on SOLINET as one of many projects that could be expected to conduct its activities in all respects as did other SREB projects. The positions were incompatible and, in consonance with the memorandum of agreement, SOLINET notified SREB in July of 1976, that the affiliation would be terminated in January of 1977. During the months prior to and during the period of notification, SREB had formed a committee on library activities, hired a consultant and produced a report on library networking in the southeast. The report advised SREB to discontinue its attempt to operate a library network as an affiliate.

Thus SREB made no attempt to dissuade SOLINET from its decision to establish independent operations but rather helped them by providing such information and documentation as would be important to the new mode of operations.

Suddenly, in the midst of an otherwise busy year, SOLINET was faced with finding and occupying new space, hiring personnel to perform the functions once done by SREB, establishing its own operating policies and procedures, and handling its own funds. The ramifications appeared to be endless; each step of progress revealed two more to be made. There were some interim steps that preceded final arrangements. SOLINET, for example, continued to occupy some SREB space until certain building arrangements were completed for both parties to have separated offices.

After the separation occurred, the SOLINET bylaws were changed by the membership to bring the words into harmony with the facts. There was no longer any representation of SREB on the SOLINET Board of Directors. Administrative activity was no longer subject to SREB policy. In short, SREB was written out of the SOLINET bylaws.

The first months of independent operation held ample challenge for the staff and SOLINET Board. Cash flow was one of these. While never in any danger of delinquency on a payroll, the now-independent staff had to produce a payroll, pay its taxes and lead the postman to the new quarters in order that money paid to SOLINET could arrive directly at SOLINET and not be delayed by a stop for redirection at SREB. Similarly, SOLINET had to open its own bank accounts, have checks printed and prepare to pay its vendors promptly to establish such credit as would be desired and needed in the months ahead. With this came the Dun and Bradstreet representative to give to SOLINET a tentative seal of

approval as a worthy business correspondent.

The early need of SOLINET was to have a firm base from which to extend its operations; SREB provided that base. Now, it no longer is required; independence of action has replaced the dependence of the past.

Operations

During the first two years of operation, an increasing number of OCLC model 100 terminals were delivered and installed in SOLINET libraries. In fiscal year 1977, the demand continued to increase but the number of terminals received and installed was lower than in either of the previous years (see Figure 1). Once before, after a fire in the manufacturing plant, terminals were not easily available, but the problem this year was equally serious and a great deal more persistent.

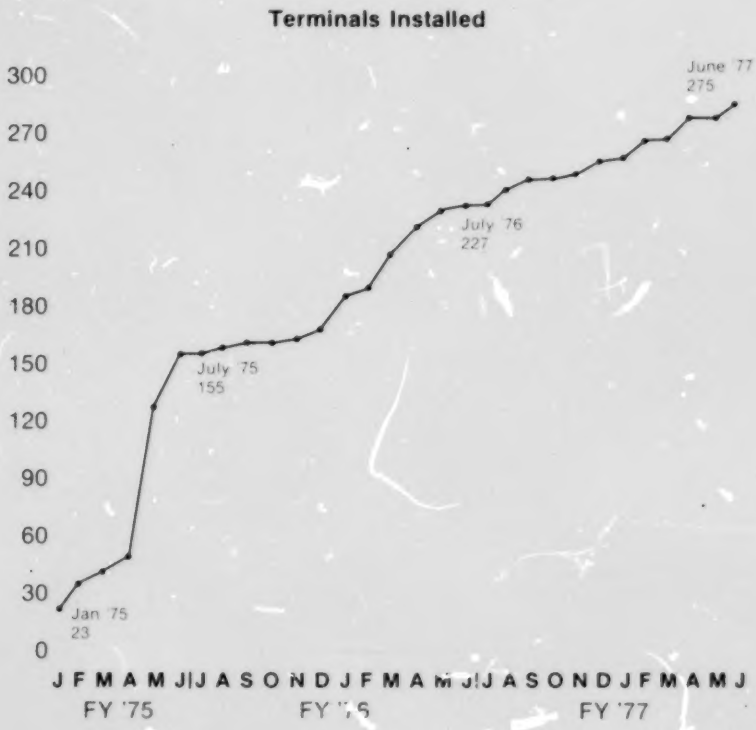

Figure 1. Terminals installed in SOLINET member libraries, FY '75, FY '76, and FY '77.

The terminal manufacturer, Beehive Medical Electronics, Inc., in Salt Lake City, experienced a shortage of parts. Display screens (the cathode-ray tubes) were available only in limited qualtities. Had everything else been nominal this problem would have been critical.

However, there was another problem. OCLC could not accept added terminals on the system. Each terminal produces a system load and that load, imposed on the system, has the effect of degrading the speed of system performance. Eventually, this year, the overload became critical and OCLC responded by imposing a total moratorium on installations, on February 16, 1977. Participating members in every network cried out for relief. They were torn between wanting fast (under 8 seconds) response time and wanting extra terminals for added work. New members were equally discomfited. They wanted to begin system use and could not do so without terminals.

A change came about later in February. OCLC installed new equipment and found ways to improve the effectiveness of existing apparatus. Cautiously they lowered the barrier to further installations. As they did so they watched the response time measurements and accepted the principle of no system degradation for new terminals. In May, OCLC announced a policy of making allocations of new terminals to SOLINET and other networks for fiscal year 1978.

SOLINET's allocation for the year was set at 43 terminals, a part of which would be delivered on a quarterly basis. Many approaches to distributing SOLINET's allocation equitably among its members were considered. Eventually, the policy of authorizing terminal installations on a first-come, first-served basis, according to the date a member's terminal purchase order was received, was chosen. This policy was announced in May to be effective for fiscal year 1978.

At the April 1977 meeting of the SOLINET Board of Directors, the Board agreed to lift the limit of 325 terminals in the SOLINET system which they had imposed in January 1976. Obviously, the 325 terminal mark had not been reached by the end of the fiscal year.

Membership

Forty-four institutions were added to the SOLINET membership this year. The limit of fifteen new members that had been in effect fiscal year 1976 was not imposed by the Board this year.

Of the 44 members accepted to SOLINET this year, 32 were colleges which had received W.K. Kellogg Foundation grants. These grants were made to small private liberal arts colleges, and they helped offset the start-up costs of receiving OCLC services. Five other institutions which already belonged to SOLINET also accepted the grants.

The following institutions were accepted for membership in SOLINET in fiscal year 1977:

Alabama Public Library Service, Montgomery, Alabama
Atlanta Public Library, Atlanta, Georgia
Barry College, Miami, Florida
Belmont College, Nashville, Tennessee
Berea College, Berea, Kentucky
Berry College, Mt. Berry, Georgia
Biscayne College, Miami, Florida
Bridgewater College, Bridgewater, Virginia
Carson-Newman College, Jefferson City, Tennessee
Centre College of Kentucky, Danville, Kentucky
David Lipscomb College, Nashville, Tennessee
Eastern Mennonite College, Harrisonburg, Virginia
Eckerd College, St. Petersburg, Florida
Ferrum College, Ferrum, Virginia
Flagler College, St. Augustine, Florida
Florida Southern College, Lakeland, Florida
Georgia Mental Health Institute, Atlanta, Georgia
Hampden-Sydney College, Hampden-Sydney, Virginia
Hollins College, Hollins College, Virginia
Jackson Metropolitan Library System, Jackson, Mississippi
Jacksonville University, Jacksonville, Florida
James Madison University, Harrisonburg, Virginia
LaGrange College, LaGrange, Georgia
Longwood College, Farmville, Virginia
Mars Hill College, Mars Hill, North Carolina
Mary Baldwin College, Staunton, Virginia
Memphis and Shelby County Public Library & Information Center, Memphis, Tennessee
Meredith College, Raleigh, North Carolina
Millsaps College, Jackson, Mississippi
Mississippi College, Clinton, Mississippi
Murray State University, Murray, Kentucky
Oglethorpe University, Atlanta, Georgia
Pensacola Junior College, Pensacola, Florida
Randolph-Macon College, Ashland, Virginia

Roanoke College, Salem, Virginia
Saint Andrews Presbyterian College, Laurinburg, North Carolina
Saint Augustine's College, Raleigh, North Carolina
Salem College, Winston-Salem, North Carolina
Southwestern at Memphis, Memphis, Tennessee
Spring Hill College, Mobile, Alabama
Trevecca Nazarene College, Nashville, Tennessee
University of Southern Mississippi, Hattiesburg, Mississippi
University of Tampa, Tampa, Florida
Volunteer State Community College, Gallatin, Tennessee

During the year, eight members chose not to participate in shared cataloging through OCLC. No members dropped their membership. By the end of the year, SOLINET membership stood at 165 institutions. These are listed in Appendix C of this report.

The annual membership meeting was held in accordance with the bylaws, Article VI. The meeting took place at the Airport-Sheraton in Atlanta on April 28, 1977. One hundred fifty-nine persons representing one hundred thirteen institutions attended. The membership adopted amendments to the bylaws, elected new members to the SOLINET Board of Directors, and passed four resolutions altering the dues and fees schedule for fiscal year 1978. The membership also voted unanimously to commend Dr. John H. Gribbin for his efforts to establish and secure SOLINET's position as a regional library network.

System Utilization

SOLINET continued to be the most active user of OCLC services this year. From July 1, 1976 through June 30, 1977, a total of 1,634,805 titles were cataloged by SOLINET member libraries -- an increase of more than one-half million from fiscal year 1976. Of this total, over 86,000 were new records added to the data base. First-time-use of records (FTU's) increased by 22% from the preceding fiscal year. Figure 2 indicates the increase in system use from January 1975, when SOLINET members first used the OCLC system.

Many factors contributed to this increase in the use of the OCLC system. One was that the number of SOLINET members increased almost 50% in a twelve-month period — from 100 participating users of OCLC to over 150 users. Another was that a majority of members had been using the system for a year or more. Their increased proficiency at the terminal meant increased productivity, and this was reflected in the larger number of both FTU's and of records input to the OCLC data base.

The moratorium on terminal installation announced in February 1977 appeared to have no immediate effect on the numbers of FTU's; in fact, by the end of the year — in June — the number of FTU's was 125,472, an all-time high for SOLINET for a one-month period (see Figure 3).

The trend toward more use of the OCLC system is evidenced in Figure 4. The number of average monthly FTU's showed a steady rise this year — the exception being the holiday months of November and December. It is becoming apparent that an annual trend of decline in activity is being established during these two months. In fiscal year 1976, the decline in all system activity during November and December was compounded by down time on the OCLC computer. This was not the case, however, this year.

Although the figures for this fiscal year for titles cataloged by the networks using OCLC are not wholly comparable to the figures given for fiscal year 1976, the numbers are revealing. Figure 5 tells the story. In fiscal year 1976, SOLINET members cataloged 141,807 more than the second most active user of the OCLC system, OCLC. In fiscal year 1977 (using the figures available), SOLINET members cataloged more than a half-million — 538,118 — more than the second most active user of the system — this time AMIGOS. In one year, the 157 active members of SOLINET cataloged over one and a half million titles.

Bigger, even biggest, does not mean better, though, unless user needs are being met. If system utilization is the linchpin for measuring success, SOLINET may be justified in feeling successful. But the system (SOLINET) that accounts for 20% of

OCLC/SOLINET System Use

Year	Month	Total Records Used	First-Time-Uses	Records Input
1975	January	1,764	1,649	123
	February	4,715	4,095	445
	March	11,530	9,970	1,000
	April	21,094	17,876	2,116
	May	24,291	19,364	3,198
	June	43,895	36,355	3,938
TOTAL-FY'75		107,289	89,309	10,820
1975	July	86,139	73,049	6,422
	August	83,298	68,295	5,688
	September	97,151	81,160	4,748
	October	114,109	88,252	7,616
	November	81,900	64,463	5,888
	December	66,638	52,450	4,408
1976	January	110,239	89,239	7,348
	February	112,117	89,383	8,337
	March	123,116	99,150	8,983
	April	118,864	94,824	8,877
	May	109,478	86,789	7,016
	June	113,472	89,908	7,754
TOTAL-FY'76		1,216,521	976,962	83,085
1976	July	112,085	85,648	14,828
	August	116,836	89,022	15,489
	September	113,286	92,558	13,776
	October	124,988	96,026	15,669
	November	93,306	72,126	6,444
	December	106,306	79,060	8,176
1977	January	128,013	98,483	8,557
	February	137,482	105,325	9,490
	March	161,596	121,682	12,058
	April	154,013	114,210	12,285
	May	158,182	119,555	11,479
	June	166,311	125,472	12,321
TOTAL-FY'77		1,578,410	1,199,167	140,572

Figure 2. Table of system use, January 1975 through June 1977.

OCLC's chargeable use must accomplish through this service the goals its membership delineates for it, before true success can be claimed.

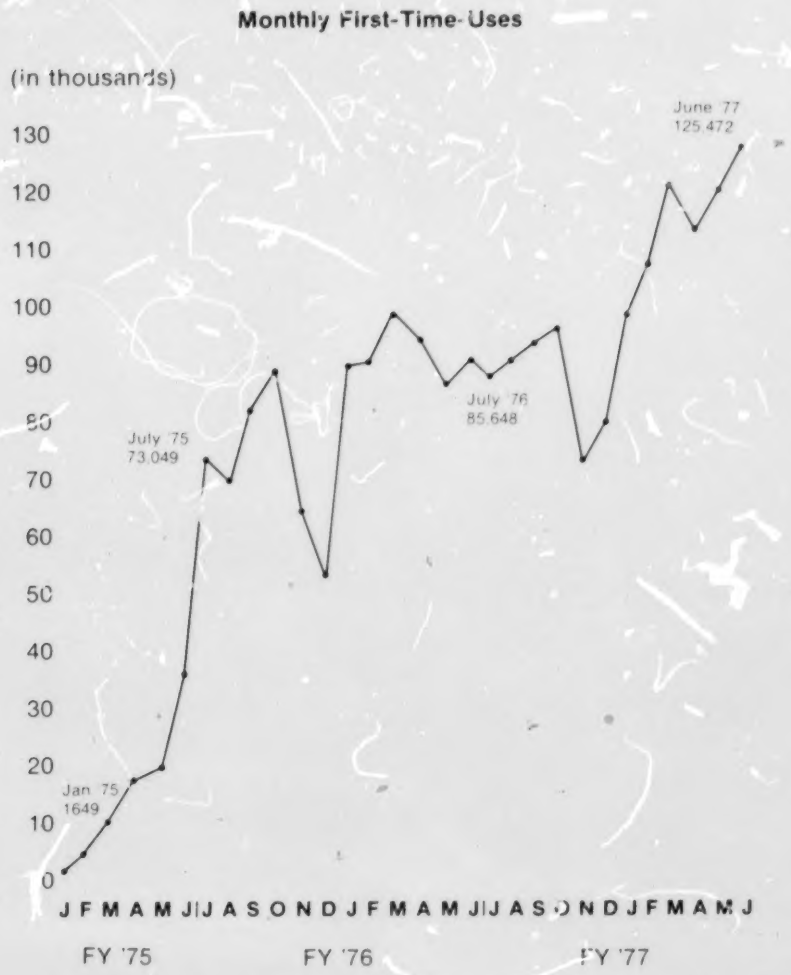

Figure 3. SOLINET monthly first-time-uses, FY '75, FY '76 and FY '77.

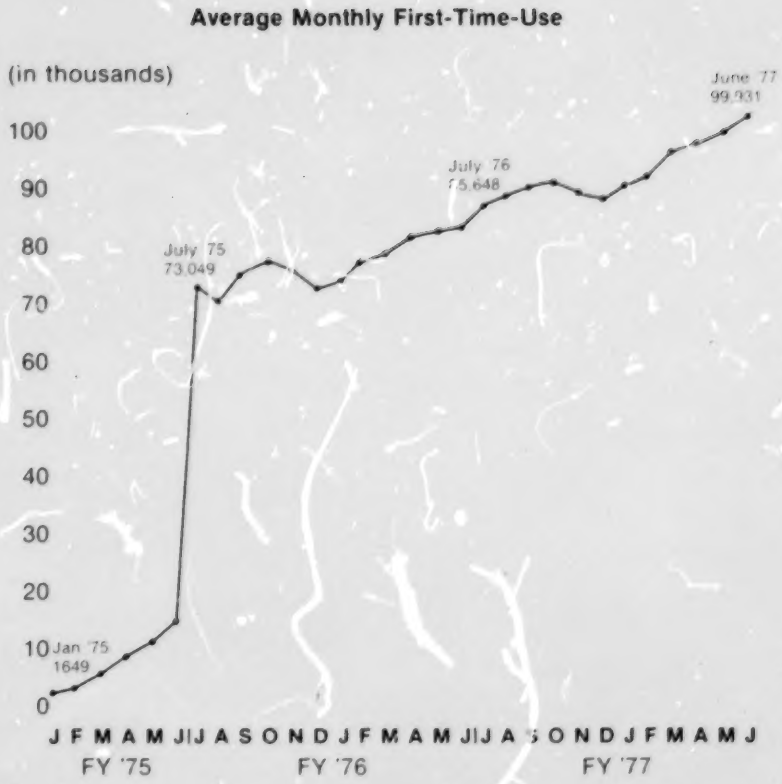

Figure 4. SOLINET average monthly first-time-uses, FY '75, FY '76, and FY '77.

OCLC Participating Networks	Total Copies of Books Cataloged		Chargeable First-Time Uses		Input Cataloging		Percent Cataloging Using Existing Records	
	1975/76	1976/77*	1975/76	1976/77	1975/76	1976/77	1975/76	1976/77
Ohio College Library Center	1,076,124	894,006	524,701	593,703	81,008	76,548	86.6	88.6
AMIGOS Bibliographic Council	681,028	1,040,292	519,037	799,235	48,050	67,045	91.5	92.3
Bibliographical Center for Research	721	185,972	670	132,126	35	9,133	95.0	94.4
Consortium of Universities of the Washington Metropolitan Area	57,195	98,493	49,818	82,127	3,572	7,467	93.3	91.7
Cooperative College Library Center	37,797	35,205	18,428	17,494	163	116	99.0	99.3
Federal Library Committee	104,271	166,180	59,432	99,487	23,753	31,052	71.4	76.2
Five Associated University Libraries	132,989	151,487	124,374	119,081	23,363	16,994	84.2	87.5
Higher Education Coordinating Council of Metropolitan St. Louis	58,317	32,930	34,221	23,241	4,783	2,720	87.7	89.3
Illinois Research and Reference Center Libraries	185,404	310,505	135,195	260,105	9,169	12,257	93.7	95.5
Independent Organizations	157,581	117,203	121,676	87,345	9,246	4,126	92.9	95.5
Indiana Cooperative Library Services Authority	57,248	255,311	44,926	205,935	825	12,520	98.2	94.3
Michigan Library Consortium	112,186	332,406	97,008	272,904	6,910	18,698	93.4	93.6
Midwestern Regional Library Network	—	58,753	—	43,563	—	2,815	—	93.9
Minnesota Interlibrary Teletype Exchange	—	58,850	—	53,145	—	2,851	—	94.9
Nebraska Library Commission	—	63,076	—	43,490	—	7,973	—	84.5
New England Library Information Network	586,868	650,821	457,733	491,201	50,103	47,880	90.1	91.1
Pennsylvania Area Library Network	397,889	546,885	318,322	458,841	25,887	33,220	92.5	93.2
Pittsburgh Regional Library Network	211,519	244,666	155,929	186,344	8,999	8,473	94.5	95.7
Southeastern Library Network	1,217,931	1,578,410	978,185	1,199,187	83,259	86,074	92.2	93.3
State University of New York	562,192	675,147	445,021	513,219	27,434	27,515	94.2	94.9
Western OCLC	—	122,149	—	102,766	—	4,066	—	96.2
Wisconsin Library Consortium	40,568	164,700	35,902	137,915	1,585	10,867	95.8	92.7
TOTAL	5,707,828	7,783,447	4,118,878	5,942,434	408,144	490,410		
AVERAGE							91.0	92.4

Figure 5. Titles cataloged in 1975/76 and 1976/77. Reproduced from OCLC 1976-1977 Annual Report.

* For more than half the year the computer program recording titles did not count all copies so that the 1976/77 column is not comparable to 1975/76.

Training Program

The year's major events in the training department were the completion of initial training of thirty-seven (37) new SOLINET libraries; an investigation of the prospects for information retrieval service from SOLINET; participation on the SOLINET Committee on Computer Output Microfilm (COM); presentation of a panel discussion of the OCLC Serials Control Subsystem; and moderation of user discussions in five (5) SOLINET states.

At the beginning of the fiscal year, the training staff was composed of Kenneth A. Thomas, Training Coordinator; Michele I. Dalehite, Assistant Training Coordinator; and Velda Williams, Secretary. Christine Barcus Shellabarger became the second Assistant Training Coordinator in March 1977.

Training of New SOLINET Libraries

Forty-eight (48) new SOLINET libraries were involved in training activities during the fiscal year. Of these, forty-three (43) had catalog card profiles submitted to OCLC and all but three of these profiles were completed by OCLC by the end of the fiscal year. Thirty-seven (37) of the forty-eight were visited by training staff for the training workshop developed for new member libraries.

Training Sequence for New Libraries

The training sequence for new libraries, established in fiscal year 1976, continued, with minor modifications, in fiscal year 1977:

When the training department is notified of the acceptance of a new member to SOLINET, a packet of materials is sent to the library. The materials contain general information about the OCLC system, its use, and catalog card profile information including the OCLC profile questionnaire. After the library has received and reviewed the materials, a member of the training staff telephones to discuss the profile. When the library completes the questionnaire and mails it to the SOLINET office, it is examined by the training staff. If there are questions or suggestions, the library will be called again. A final version of the profile results from these actions and is approved by the library. A member of the training staff completes the profile and submits it to OCLC.

As soon as OCLC notifies SOLINET of the date scheduled to install the telephone equipment needed for the OCLC terminal, the training department sends a second training packet to the library. This packet contains materials on the proper use of machine readable cataloging records, and on the OCLC terminals and system, and includes the *SOLINET Terminal Training Manual*. These materials should be received by the library a few weeks before its terminal is installed. For at least two weeks after the

terminal is installed, library staff practice with the system. Then a workshop is held by SOLINET at the library to review materials, to answer questions, and to assist the library in ordering its first catalog cards.

Investigation of Feasibility of Information Retrieval Service From SOLINET.

The SOLINET Training Department investigated the capabilities, costs and potential benefits of a variety of organizations which provide information retrieval services. Key among those organizations were the New York Times Information Bank, the Georgia Information Dissemination Center, Bibliographic Retrieval Services, System Development Corporation, and Lockheed Information Systems. Following the investigation, a questionnaire was sent to each SOLINET member in hopes of more accurately determining the feasibility of helping member libraries to use information retrieval services. One aspect was concerned with the qualification for a group discount from one or more vendors. The other was concerned with a central search service.

The group discount service was based on the concept that the vendors allow discounts to individuals, or groups, that guarantee a minimum amount of usage in a given period. If SOLINET were to arrange groups using a common vendor, and the group met or surpassed the minimum requirements, then the overall cost could be reduced by coordinating the billing and distributing the discount, after subtracting staff costs for executing the service.

The central search service was intended for libraries without current online access to information retrieval services, where the SOLINET staff would perform the searches upon request from a member, using a terminal installed in the SOLINET office. In addition, the staff would help promote the service at the member's library and provide training for the reference staff in how to interview the patron and develop the request, perhaps the toughest and most important part of the entire service.

To help in the overall analysis, a test was conducted in the SOLINET office where a terminal was installed, with connections to the New York Times Information Bank. The members were asked to submit requests for information and the SOLINET staff conducted the search. Records of resources used and results obtained were kept and a per search cost of $39.66 was computed from the 80 searches.

The reaction of the members to the questionnaire and to the test was not overwhelmingly in favor or against — very mixed. The summary of responses to both the central search service and the group discount service, plus an estimate of the expenses to be incurred in carrying out the proposed programs, was presented to

the SOLINET Board of Directors in April 1977. The conclusion of the Board was that the effort could not be cost-justified at that time, but the SOLINET staff should continue to monitor the area and perhaps conduct another study if the costs and/or demands change significantly.

Participation in the SOLINET Committee on COM

Michele I. Dalehite, Assistant Training Coordinator, served on the SOLINET Committee on COM and presented a portion of the committee's findings at a workshop on April 27, 1977. The work of the Committee on COM is detailed in the Technical Program section of this report.

SOLINET Panel Discussion on the OCLC Serials Control Subsystem, April 27, 1977, Atlanta

A panel of librarians knowledgeable on the serials control system presented their experiences with items such as: deciding to use or not to use the system; converting to system use; daily operations; and system strengths and weaknesses.

The panelists were: Judy Daso, Ohio University; Esther Greenberg, Case Western Reserve University; Carol Kelley, Texas Tech University; John McPherson, University of Alabama (University); and Meg Sarver, Ohio College Library Center. Approximately 120 persons attended the workshop.

SOLINET User Groups

The training staff led SOLINET user discussion groups in five of the southeastern states: Alabama, Louisiana, Mississippi, Tennessee, and Virginia. Most meetings were held in conjunction with state library association meetings and were usually about two hours long.

Because of the favorable response received for these meetings, the training staff will lead discussion sessions at each of the state library association meetings in 1977-78.

Technical Program

The beginning of the fiscal year presented a new beginning for the SOLINET technical program. The previous year closed on the news that OCLC had decided not to allow the installation of one of its communication processors in Atlanta at that time.

The installation of an OCLC communication processor in Atlanta was the keystone of a plan for the technical program adopted in the previous year. That program called for an extended affiliation with OCLC which would embody both joint and cooperative technical developments in such a manner that the objectives could be realized. The first "joint and cooperative technical development" was to be the establishment of a network of SOLINET members, channeled through Atlanta, which would utilize the existing OCLC lines. The focus would have been the communication processor, or concentrator, in Atlanta. In May of 1976, however, OCLC informed SOLINET that the loan and cooperative installation of its communication processor in Atlanta would not be possible. This announcement sent the technical staff back to the drawing board to revise the plan, adding into it the purchase of a communication processor by SOLINET to supplant the one that was to be loaned by OCLC.

In July 1976, before the revised plan could be completed and approved, OCLC issued a *Position Statement on Communication Processors* stating that, "OCLC does not support the concept of distributed communication processors as a technique for reducing communication costs, but will cooperate in the implementation of communication processors." The statement further indicated that OCLC would support such development at only one network at a time. Since the New England Library Information Network (NELINET) had requested OCLC support well before SOLINET's request, similar efforts with SOLINET were suspended with the anticipation that they would be resumed in early 1977. As a result of this suspended effort and since the communication processor is the critical link to other online operations, the SOLINET technical staff was forced to redevelop the SOLINET technical plan.

One of the most imposing concerns supporting the development of a SOLINET communication processor/concentrator and the resulting network of SOLINET members was the need to improve response time at the terminal. The efficient implementation of a communication processor/concentrator in Atlanta would reduce the overall traffic on the seven existing lines, so that each request for service at a SOLINET terminal would have less competition for attention by the OCLC processors. This could provide some improvement in response time. However, the indefinite postponement of the communication processor/concentrator left no doubt that other means must be sought to

gain the needed response time improvement.

One solution that had been obvious all along, but was considered too limited in its benefits for the amount of effort and on-going expense involved, was an increase in the number of lines available. The individual line contention could be reduced by spreading the same number of terminals over twice the number of existing lines. Thus, a plan was devised and presented to OCLC which increased the number of available local lines but also reduced the overall cost, while still centralizing the network of SOLINET members, through the installation of hardware multiplexors in Atlanta. OCLC acknowledged that this was a good plan, though not necessarily the best, but they had a commitment to install multiplexors in the AMIGOS region and that would have to be done before they could begin to plan such an installation in the SOLINET region. Here, too, it was anticipated that this activity could begin in the first quarter of 1977.

By June 30, the end of the 1976-77 fiscal year, the implementation of a communication processor at NELINET had not been completed; the installation of multiplexors in the AMIGOS area had not begun; thus, installation of any special hardware at SOLINET had not even reached the planning stage at OCLC.

Fortunately, this possibility was recognized in late 1976. A long, arduous and persistent effort by the technical staff resulted in OCLC accepting a SOLINET proposal of a new configuration of communications lines serving SOLINET members. The proposal was based, in part, on a document produced by Richard E. James, SOLINET Communications Specialist, entitled "SOLINET Line Traffic Analysis." The document reflects the results of a study he conducted in order to develop a basis for specification or performance requirements for future hardware considerations. With current utilization patterns on the network, the performance guidelines call for about 20 terminals per 2400 baud line. The new configuration would relieve the existing crowded condition and provide for continuing growth in members and use. The new configuration included fourteen circuits instead of the previous seven, reducing the average number of terminals from 39 to 19.5. The reconfiguration took place during February 1977. Relief was obvious to terminal users. The response time problem was not eliminated, but its severity was significantly reduced.

One by-product of the seemingly frequent planning sessions early in the year was an improved view of the technical staff's overall direction and anticipated involvement in technical areas other than telecommunications. An immediate result was the formation of two teams to investigate and report on the specific needs, opportunities, necessary involvements, and recommendations for action for SOLINET and its members, involving:

1) Information Retrieval Services (IRS), and
2) Computer Output Microfilm (COM)

The IRS task, led by Kenneth A. Thomas, SOLINET Training Coordinator, is detailed in the Training Program Section of this report.

The COM task was formalized by the establishment of a SOLINET Committee on COM, chaired by the SOLINET Technical Coordinator, G. Randall Cravey. The committee conducted a great deal of research and planning while visiting and interviewing various COM service bureaus and vendors of COM-related products. Pricing information on the production of COM catalogs was collected from several vendors.

A questionnaire was used to compile the anticipated needs and demands of the membership. The results of the committee's work were documented in a formal report, "Computer Output Microfilm (COM): An Alternative to Card Catalogs for SOLINET Members." This report was completed and released in January 1977. Over a hundred copies had been distributed to members and other interested parties by June 30, 1977. The report covers those events, facts, cost estimates and major considerations which must be examined before a COM program can be defined and adopted. The committee also conducted a SOLINET COM seminar the day before the Annual Membership Meeting. The seminar provided, for approximately 110 attendees representing 59 member libraries, a review of the COM report, a review of the SOLINET technical staff's plans regarding COM production, and an exchange of ideas and information through a question and answer period regarding any COM-related subject.

One of the more exciting events of the year was the announcement, during the winter, from OCLC of their plans, rules, and participating regulations for their OCLC-MARC Retrospective Project, to begin "early in 1977." This was to be the project which fulfilled OCLC's contract obligation to provide SOLINET with copies, in machine-readable form, of the records in the OCLC data base that were entered or used by SOLINET members for cataloging. With permission from each member, SOLINET ordered a full set of records, covering all members since the first online transaction by a member on January 2, 1975. For current and future records, SOLINET has subscribed to the OCLC MARC Subscription Service which sends records from a month's activities only a few days after the month ends. By June 1977, the subscription service was arriving on schedule, but the delivery of the retrospective records was still a promise, being delayed by the seeming multitude of higher-priority tasks at OCLC and the lack of computing power to handle them all.

The combination of strong interest in COM products, generated by the work of the COM committee, and the exciting news of the coming retrospective project was highly influential on the overall

planning process within the technical area. Whereas the top priority project had been the installation of a communication processor/concentrator with the expectation of adding a second processor as backup and, more importantly, as a basis for data processing product manufacturing, the priorities gradually exchanged positions. The need to process the massive amounts of data being received and to begin providing some of the COM products that had been recommended became not more important, but more attainable. Thus, the plans for the creation and maintenance of a SOLINET data base began to take a more realistic shape; a gentle change of direction from planning for a communications center to planning for a data processing center was discernible.

On March 1, 1977 the technical staff issued a Request for Proposal to twenty-four computer systems manufacturers, asking each to propose to SOLINET the most appropriate equipment configuration (within certain dollar limits) to process the large files of information that were expected from the retrospective project and the continuing subscription. The retrospective project is expected to generate approximately four million records for SOLINET, and the subscription will probably add another two to two-and-a-half million per year.

On April 15, 1977 when the proposals were due, six vendors responded, each with an interesting and different approach to the problem. Each of the six proposals was given a thorough examination and an objective evaluation of its application both to SOLINET's current problem and future plans. After due deliberation, a letter of intent was issued, in June, to the Burroughs Corporation notifying them of their selection as the prime vendor for the computer and associated equipment for the SOLINET Data Center. With this decision made, the technical staff gave full attention to the detail planning of the projects to be undertaken immediately upon installation.

Such projects had already begun. One of the products of the efforts of the SOLINET Committee on COM was an agreement to develop a prototype COM catalog for serials. Arrangements were made with the staff of a local member library whose director had volunteered to participate in the development. The staff of the member library cataloged a subset of serials on the OCLC system and those transactions have been received at SOLINET through the subscription tapes. They will be processed into a COM catalog, which will be reviewed by the participating library staff. Any changes or updates will be made through the OCLC system following the guidelines drafted as a supplement to the OCLC On-Line Cataloging document, specifically for the purpose of maintenance of the member's machine-readable catalog within the SOLINET data base.

The technical staff contributed in many smaller and less conspicuous ways, some with immediate benefit to the membership, others resulting in what is referred to as "potential benefit," meaning it may be there in the future if all goes well.

An example is the continuing effort concerning terminal maintenance. At the beginning of the year, a careful analysis of the terminal problems requiring maintenance calls over the previous year and a half was made in order to determine the optimum contractual arrangement available through OCLC. The analysis showed that the average number of trouble calls per terminal in SOLINET was far less than the predicted average upon which OCLC based its charge for an annual contract. Within the analysis, consideration was given to the frequency of repair by part type, and also the age of the terminal. The analysis indicated to the SOLINET staff that the per-call option should be taken, which it did, and which resulted in an annual savings of approximately $20,000.

Additional information about the maintainability of the terminal, as well as its ability to be used for other purposes, was revealed through research sponsored by SOLINET but performed by friends of the network. The research helped to determine how the terminal does what it does, why it doesn't what it doesn't, and what additional effort would be required to render it more useful.

With the establishment of the SOLINET Data Center, expected in the fall of 1977, supported by a trained, educated and excited staff, and the backing of the SOLINET membership and its leaders, the technical program is expected to make greater advancements toward the future short term and long term goals, which include:

A. continued efforts to optimize the communications network;
B. efforts to develop products and services which will enhance or complement those provided through OCLC;
C. efforts to evolve into a regional center which will be properly coordinated with the emerging national plans for library networks.

Appendices

Appendix A
Actions of the Board of Directors and Membership

This section of the report is a summary of the actions taken during the year by the Board of Directors and the membership.

In July 1976, the Board of Directors:

Elected officers in accordance with the bylaws:

James F. Govan	Chairman
Gustave A. Harrer	Vice-Chairman
Frank P. Grisham	Secretary
John T. Demos	Treasurer

Agreed not to limit the number of new SOLINET members for fiscal year 1977, and accepted the membership applications of the following institutions:

Alabama Public Library Service
Atlanta Public Library
Barry College
Belmont College
Berea College
Berry College
Bridgewater College
Eastern Mennonite College
Hampden-Sydney College
Hollins College
James Madison College
LaGrange College
Longwood College
Mars Hill College
Mary Baldwin College
Meredith College
Oglethorpe University
Randolph-Macon College
Roanoke College
Salem College
Spring Hill College
Trevecca Nazarene College
University of Southern Mississippi

Voted to withdraw SOLINET's affiliation with the Southern Regional Education Board (SREB) under its current Memorandum of Agreement, as is provided for in the Memorandum, effective January 17, 1977 (the date was subsequently changed to January 31, 1977).

Instructed the SOLINET staff to investigate the possibility of

providing information retrieval services to members through SOLINET, and to determine the economic feasibility of this.

Authorized the recommended provision for an additional SOLINET training staff member to handle the expected increase in members because of the W. K. Kellogg Foundation grants.

Acknowledged the completion of the Council on Library Resources (CLR) grant requirements, including the *SOLINET Terminal Training Manual*, by the SOLINET training staff.

Instructed the Executive Director to send press releases to all state and public libraries in the Southeast announcing that Alabama State Library and Atlanta Public Library were admitted to SOLINET membership.

Ruled to maintain the committees established in the previous year. The Chairman will make the required appointments.

In September 1976, the Board of Directors:

Reappointed the following committees:
- Data Base Quality Control Committee
- Nominating Committee
- Financial Advisory Committee
- Special Committee on SREB Relations
- Technical Advisory Committee

Appointed Lillie D. Caster as chairman of the Data Base Quality Control Committee, replacing Suzanne Leary

Accepted the membership applications of the following institutions:
- Carson-Newman College
- Millsaps College
- Murray State University
- Saint Andrews Presbyterian College

Accepted the Executive Director's plan to meet with the state librarians of the SOLINET area, scheduled for November 30, 1976.

Approved the report given by the Technical Director that detailed future technical plans.

Acknowledged the SOLINET staff activities of researching non-OCLC on-line computer services and of creating a committee to develop a COM catalog from the OCLC tapes.

Voted to empower the Executive Director to take steps necessary for the independent operation of SOLINET.

In January 1977, the Board of Directors:

Appointed a Nominating Committee for selection of 1977-78 Board candidates:

Ralph E. Russell — Chairman
Charles F. Hinds
Hester B. Slocum

Accepted the membership applications of the following institutions:

Centre College of Kentucky
Eckerd College
Flagler College
Jacksonville University
Pensacola Junior College
University of Tampa

Heard the Chairman's report on the Library of Congress Network Advisory Group meeting, held in December 1976, and the Executive Director's report on the Kellogg grants, the status of the COM committee's activities, and the progress of the information retrieval study.

Acknowledged the success of the November meeting with the ten southeast state librarians.

Reviewed plans for SOLINET establishing operation independent of SREB, and approved a revised budget for fiscal year 1977.

Authorized the Executive Director to purchase one complete set of the OCLC retrospective tapes for SOLINET members.

Recommended changes in the bylaws and asked the Financial Advisory Committee to review plans to provide for the liquidation of SOLINET in the bylaws.

Directed that letters of appreciation be sent to Robert C. Edwards and Carroll A. Gardner (both from SREB) for their service on the Board.

Reviewed and accepted for publication in the Annual Report the auditors' report for fiscal year 1976.

In April 1977, the Board of Directors:

Accepted the membership applications of the following institutions:

Biscayne College
David Lipscomb College
Ferrum College
Florida Southern College
Georgia Mental Health Institute
Jackson Metropolitan Library System
Memphis and Shelby County Public Library & Information Center
Mississippi College
Saint Augustine's College

Southwestern at Memphis
Volunteer State Community College

Reviewed and approved the budget for fiscal year 1978, the dues and fees proposal, and the investment procedures.

Approved and recommended for consideration by the membership at the membership meeting the following:

the revised budget for fiscal year 1978,
the change in the dues and fees,
the resolution in appreciation of John Gribbin, and
the proposed bylaw changes.

Heard the results of the information retrieval survey conducted by the SOLINET staff and approved not to recommend SOLINET's involvement with information retrieval services at this time.

Approved the motion to lift the limit of 325 terminals in member institutions.

Discussed the long-range design of SOLINET, and requested that a report be given to the Board of the number of potential SOLINET members.

Approved the motions expressing thanks to the SOLINET staff, to the retiring Board members, and to Ray W. Frantz, Jr., who served as a non-voting representative on the Board for one year.

Heard the Data Base Quality Control Committee's annual report, and tabled a motion to consider a resolution concerning appointments to the DBQCC.

Appointed an OCLC/SOLINET contract Negotiating Committee composed of:

Ray W. Frantz, Jr.
Frank P. Grisham
Paul C. Parker
Joseph F. Boykin, Jr.

In April 1977, the membership of SOLINET:

Heard the required reports and minutes of the previous membership meeting, and accepted them.

Voted to make the proposed changes in the bylaws.

Accepted the changes in the membership dues and fees.

Elected Donald L. Bosseau*, Sara June McDavid, Mary Lou Harkness, and Dennis E. Robison to serve on the Board of Directors for a term of three years each. Robert W. Williams was elected to the Board of Directors for a term of two years.

*Donald L. Bosseau left for a position in Hawaii, and was replaced by Calvin J. Boyer, who will serve a one-year term.

Appendix B
Administrative Activity

Membership	1976-77	1975-76
Total members (year end)	165	119
Active* (some groups overlap)	156	115
ASERL members	25	24
Other academic	114	78
State libraries	7	6
Public libraries	9	6
Special libraries	2	1
Cluster members	9	7
Inactive	8	4

*Active is defined as a member participating in the use of the shared cataloging system.

Equipment in use (year end)	1976-77	1975-76
Terminals	275	227
Modems (data sets)	155	117
Leased line circuits	14	7

SOLINET use of the shared cataloging system

Item	1976-77	1975-76
A. Total titles cataloged:	1,634,905	1,061,470
1. for which cards ordered	1,283,208	*
2. for which cards not ordered	351,597	*
B. FTU's billed to the institutions	1,197,211	978,185
C. Total new titles input into the OCLC data base	113,429	83,285
1. for which cards ordered	85,997	*
2. for which cards not ordered	27,432	*
D. Percentage of total new titles input (total new titles/total titles)	6.94%	7.84%
E. SOLINET institution holding symbols in the OCLC data base (cumulative total)	4,029,726	2,394,921
F. Member libraries cataloging per year:		
24,000 + titles	26	7
12,000 - 23,999	30	30
5,000 - 11,999	32	27
2,000 - 4,999	22	18
1 - 1,999	27	29
Inactive or training	28	8

*These figures are not available for 1975-76.

Personnel Changes

Additions:

Geraldine Chatman, secretary, January
Linwood L. Hill, Jr., Comptroller, January
Jane K. Thatcher, Editor, February
Christine Barcus Shellabarger, Assistant Training Coordinator, March
D. Kay Williams, receptionist/secretary, March

Terminations:

Anne C. Early, Project Assistant, August
Regina F. Thurmond, secretary, July

Publications:

Computer Output Microfilm (COM): An Alternative to Card Catalogs for SOLINET Members
SOLINET Annual Report, 1975-1976
SOLINEWS (Volume 4, Numbers 5,6,7; Volume 5, Numbers 1,2,3,4,5)

Memoranda Series (July 1, 1976 through June 30, 1977)

Memoranda Series (July 1, 1976 through December 31, 1976)

1976-17	Payments & Prepayments for Dues and Services	July 12, 1976
1976-18	Terminal Malfunction Reporting Procedures	July 26, 1976
1976-19	Nominees to Serve on OCLC Advisory Committees	August 2, 1976
1976-20	OCLC Triple Processor System Installation	October 1, 1976
1976-21	Microfilm Catalog Questions (voided)	October 18, 1976
1976-21	Microfilm Catalog Questionnaire (revised)	October 30, 1976
1976-22	(no memorandum distributed with this number)	
1976-23	SREB Study of Library Network Governance, Management & Finance	November 17, 1976

Memoranda Series (January 1, 1977 through June 30, 1977)

1977-1	Retrospective OCLC-MARC Project and the SOLINET Data Base	January 1, 1977
1977-2	Errors, Error Correction, and Error Rates	January 14, 1977

1977-3	COM Report Summary	January 21, 1977
1977-4	Answers to Questions	January 28, 1977
1977-5	Network Reconfiguration	January 28, 1977
1977-6	OCLC's Serials Control Subsystem	January 28, 1977
1977-7	Review of Authorizations	February 3, 1977
1977-8	Billing Format	March 9, 1977
1977-9	IRS Survey	March 16, 1977
1977-10	Answers to Questions about OCLC	March 22, 1977
1977-11	Non-Book Training Survey	May 5, 1977
1977-12	Revised Bylaws & January 20, 1977 Board Meeting Minutes	May 11, 1977
1977-13	Terminal Allocation/Installation	May 17, 1977
1977-14	OCLC/SOLINET Charges for FY'78	May 17, 1977
1977-15	Serials Cataloging Workshops	May 19, 1977
1977-16	Cancellation of Serials Meetings	June 16, 1977

Appendix C
List of Members

ALABAMA

Alabama Public Library Service
Montgomery
Auburn University
Auburn
Jacksonville State University
Jacksonville
Spring Hill College
Mobile
Troy State University
Troy
University of Alabama in Birmingham
Birmingham
University of Alabama in Huntsville (*)
Huntsville
University of Alabama
University
University of South Alabama
Mobile

FLORIDA

Barry College
Miami
Biscayne College
Miami
Brevard Community College
Cocoa
Broward Community College
Fort Lauderdale
Eckerd College
St. Petersburg
Flagler College
St. Augustine
Florida Agricultural and Mechanical University
Tallahassee
Florida Atlantic University
Boca Raton
Florida International University
Miami
Florida Junior College
Jacksonville
Florida Southern College
Lakeland
Florida State University
Tallahassee
Florida Technological University
Orlando
Jacksonville Public Library
Jacksonville
Jacksonville University
Jacksonville
Miami-Dade Community College
Miami
Miami-Dade Public Library
Miami
Orlando Public Library
Orlando
Palm Beach Junior College
Lake Worth
Pensacola Junior College
Pensacola
Seminole Community College
Sanford
State Library of Florida
Tallahassee
Tampa-Hillsborough Public Library
Tampa
University of Florida
Gainesville
University of Miami
Coral Gables
University of North Florida
Jacksonville
University of South Florida
Tampa
University of Tampa
Tampa
University of West Florida
Pensacola
Valencia Community College
Orlando

GEORGIA

Abraham Baldwin Agricultural College
Tifton
Agnes Scott College (CL)
Decatur
Armstrong State College
Savannah
Atlanta Public Library
Atlanta
Augusta College
Augusta
Berry College
Mt. Berry
Columbia Theological Seminary (CL) (*)
Decatur
Emory University
Atlanta
Fernbank Science Center (CL)
Atlanta
Fort Valley State College
Fort Valley
Georgia College
Milledgeville
Georgia Department of Education
Division of Public Library Services
Atlanta
Georgia Institute of Technology
Atlanta
Georgia Mental Health Institute (CL)
Atlanta
Georgia Southern College
Statesboro

Georgia Southwestern College
Americus
Georgia State University
Atlanta
Kennesaw Junior College
Marietta
LaGrange College
LaGrange
Macon Junior College (*)
Macon
Medical College of Georgia
Augusta
Mercer University
Macon
Middle Georgia College
Cochran
North Georgia College (*)
Dahlonega
Oglethorpe University (*)
Atlanta
University of Georgia
Athens
Valdosta State College
Valdosta
West Georgia College
Carrollton

KENTUCKY

Asbury College
Asbury Theological Seminary
Wilmington
Berea College
Berea
Centre College of Kentucky
Danville
Eastern Kentucky University
Richmond
Kentuckiana Metroversity, Inc.
composed of
Bellarmine College and
Jefferson Community College
Louisville
Kentucky Department of Library and
Archives
Frankfort
Murray State University
Murray
Northern Kentucky University (CL)
Highland Heights
Southern Baptist Theological Seminary
Louisville
Thomas More College (CL)
Fort Mitchell
University of Kentucky
Lexington
University of Louisville
Louisville

LOUISIANA

Louisiana State University
Baton Rouge
Loyola University
New Orleans
McNeese State University
Lake Charles
New Orleans Public Library
New Orleans
Northeast Louisiana University
Monroe
Southeastern Louisiana University
Hammond
Tulane University
New Orleans
University of New Orleans
New Orleans
University of Southwestern Louisiana
Lafayette

MISSISSIPPI

Jackson Metropolitan Library System
Jackson
Millsaps College
Jackson
Mississippi College (*)
Clinton
Mississippi State University
Mississippi State
University of Mississippi
University
University of Southern Mississippi
Hattiesburg

NORTH CAROLINA

Appalachian State University
Boone
Bowman Gray School of Medicine
Winston-Salem
Davidson College
Davidson
East Carolina University
Greenville
Elizabeth City State University
Elizabeth City
Fayetteville State University (*)
Fayetteville
Mars Hill College
Mars Hill
Meredith College
Raleigh
North Carolina Agricultural and
Technical State University
Greensboro
North Carolina School of the Arts (CL)
Winston-Salem
North Carolina State Library
Raleigh

North Carolina State University
Raleigh
Saint Andrews Presbyterian College
Laurinburg
Saint Augustine's College (*)
Raleigh
Salem College
Winston-Salem
Southeastern Baptist Theological Seminary
Wake Forest
University of North Carolina at Asheville
Asheville
University of North Carolina at Chapel Hill
Chapel Hill
University of North Carolina at Charlotte
Charlotte
University of North Carolina at Greensboro
Greensboro
University of North Carolina at Wilmington
Wilmington
Wake Forest University (CL)
Winston-Salem
Western Carolina University
Cullowhee
Winston-Salem State University
Winston-Salem

SOUTH CAROLINA

Baptist College at Charleston
Charleston
Clemson University
Clemson
College of Charleston
Charleston
Francis Marion College
Florence
Richland County Public Library
Columbia
South Carolina State College
Orangeburg
South Carolina State Library
Columbia
University of South Carolina
Columbia
University of South Carolina
School of Medicine
Columbia
Winthrop College
Rock Hill

TENNESSEE

Austin Peay State University
Clarksville
Belmont College
Nashville
Carson-Newman College
Jefferson City
David Lipscomb College
Nashville
Joint University Libraries
Nashville
Memphis and Shelby County Public
Library & Information Center
Memphis
Middle Tennessee State University
Murfreesboro
Southern Missionary College
Collegedale
Southwestern at Memphis
Memphis
Tennessee Technological University
Cookeville
Trevecca Nazarene College
Nashville
University of Tennessee at Chattanooga
Chattanooga
University of Tennessee
Knoxville
University of Tennessee at Martin
Martin
University of Tennessee at Nashville
Nashville
University of the South
Sewanee
Volunteer State Community College
Gallatin

VIRGINIA

Bridgewater College
Bridgewater
College of William and Mary in Virginia
Williamsburg
Eastern Mennonite College
Harrisonburg
Emory & Henry College
Emory
Ferrum College
Ferrum
George Mason University
Fairfax
Hampden-Sydney College (CL)
Hampden-Sydney
Hollins College
Hollins College
James Madison University
Harrisonburg
Longwood College (CL)
Farmville
Mary Baldwin College
Staunton
Old Dominion University
Norfolk
Randolph-Macon College
Ashland

Roanoke College
Salem
University of Richmond
Richmond
University of Virginia
Charlottesville
Virginia Commonwealth University
Richmond
Virginia Polytechnic Institute and State University (*)
Blacksburg
Virginia State Library
Richmond
Washington and Lee University
Lexington

(*)not participating in shared cataloging module
(CL)indicates a clustering member

Appendix D
Board of Directors
(July 1, 1976 through June 30, 1977)

Joseph F. Boykin, Jr., University of North Carolina at Charlotte
John T. Demos (Treasurer), University of Louisville
Robert C. Edwards, Clemson University
Ray W. Frantz, Jr. (non-voting Consultant/Advisor), University of Virginia
Carroll A. Gardner, Jr., Southern Regional Education Board
James F. Govan (Chairman), University of North Carolina at Chapel Hill
Frank P. Grisham (Secretary), Joint University Libraries
Gustave A. Harrer (Vice-Chairman), University of Florida
William C. Highfill, Auburn University
Robert H. Simmons, West Georgia College
Charles H. Stevens, SOLINET
Joel A. Stowers, University of Tennessee
Shirley M. Tarlton, Winthrop College

Appendix E
Staff Members

Geraldine Chatman
G. Randall Cravey
Michele I. Dalehite
Leslie K. Gullatt
Linwood L. Hill, Jr.
Henry G. Howell
Patsy J. Hudgins
Richard E. James
Christine Barcus Shellabarger
Charles H. Stevens
Jane K. Thatcher
Kenneth A. Thomas
Cynthia A. Wilkinson
D. Kay Williams
Velda Williams

Appendix F
Committees

Data Base Quality Control Committee

Lillie D. Caster, North Carolina State University, Chairman
Doris Anne Bradley, University of North Carolina at Charlotte
Elizabeth W. Newland, University of North Carolina at Greensboro
Kenneth A. Thomas, SOLINET
Homer J. Walton, Jr., University of South Carolina

Financial Advisory Committee

Bernard A. Daetwyler, University of South Carolina
John T. Demos, University of Louisville
Raymond T. Holmes, Jr., Virginia Commonwealth University

Nominating Committee

Ralph E. Russell, Georgia State University, Chairman
Charles F. Hinds, Kentucky Department of Library and Archives
Hester B. Slocum, New Orleans Public Library

OCLC/SOLINET Contract Negotiating Committee

Joseph F. Boykin, Jr., University of North Carolina at Charlotte
Ray W. Frantz, Jr., University of Virginia
Frank P. Grisham, Joint University Libraries
Paul C. Parker, State University System of Florida

SOLINET Committee on COM:

G. Randall Cravey, SOLINET, Chairman
Helen R. Citron, Georgia Institute of Technology
Michele I. Dalehite, SOLINET
Nancy L. Eaton, Atlanta Public Library
James J. Young, Georgia Institute of Technology

Special Committee on SREB Relations

Ray W. Frantz, Jr., University of Virginia, Chairman
Gustave A. Harrer, University of Florida
Paul C. Parker, State University System of Florida

Technical Advisory Committee

W. Thomas McMullen, Georgia State University, Chairman
G. Randall Cravey, SOLINET
A. Darrell Hickman, Clemson University
Daniel B. Killeen, Tulane University

Appendix G
Bylaws
(Amended April 28, 1977)

ARTICLE I.

MEMBERSHIP

Section 1. The charter members of SOLINET shall consist of all institutions in the ten states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia who made firm commitments to participate before February 15, 1973 and who paid their initial membership fees by September 30, 1973. Each SOLINET member shall be represented by such person as the institution shall designate from time to time. (Amended April 28, 1977)

Section 2. Dues and fees shall be set in such amounts, and according to such payment schedule as shall be recommended by the Executive Director, approved by the Board of Directors, and then approved by the members at a membership meeting.

Section 3. A member may withdraw from SOLINET at the end of any fiscal year by serving notice in writing to the Executive Director at least four (4) months before the end of that year. (Amended April 28, 1977)

Section 4. A qualified applicant institution may be elected to SOLINET membership by an affirmative vote of the Board of Directors at any regularly scheduled Board meeting. The qualifications required for membership shall include:

a. Each applicant shall, in the opinion of a majority of the Board of Directors, be an institution that can make appropriate contributions to the SOLINET program. (Amended April 28, 1977)

b. Each applicant institution agrees to adhere to the SOLINET Bylaws and other regulations in effect at the time of joining SOLINET. (Amended April 28, 1977)

c. Each applicant institution shall have completed a current membership obligation document by signature of the appropriate official having authority to commit the applicant to the fiscal obligations of membership. (Amended April 28, 1977)

d. Each applicant institution shall provide for the payment of the initial membership fee and for the dues and fees current to that membership year as set forth in Article I, Section 2. Dues and fees current for the fiscal year during which admission is granted shall be paid for the entire fiscal year irrespective of the date on which the membership is effective. (Amended April 28, 1977)

Section 5. Any former member, excepting charter members who shall be allowed one (and only one) readmission without payment

of additional membership entrance fee, shall be considered as a new applicant with no regard for previous payment of initial membership fee. (Amended May 15, 1975)

ARTICLE II.

SERVICE

A SOLINET member may use the cataloging service and such other services as are provided by SOLINET only under the terms of a current and valid contract between SOLINET and the member for the service(s). The Executive Director shall sign such contracts for SOLINET; the official authorized to commit the member institution to fiscal agreements shall sign for the member. Members shall pay SOLINET for services rendered under any SOLINET contract not later than thirty (30) days after the billing date for any service or equipment furnished. (Amended May 15, 1975)

ARTICLE III.

FISCAL YEAR

The SOLINET fiscal year shall be July 1 to June 30. The first full fiscal year shall begin July 1, 1973. The initial membership fee paid by charter members shall be for the period March 9, 1973 to June 30, 1974.

ARTICLE IV.

BOARD OF DIRECTORS

Section 1. There shall be a Board of Directors composed of eleven (11) voting members, all of whom shall be elected by the designated representatives of the SOLINET membership. Five (5) of the eleven (11) shall be from Association of Southeastern Research Libraries institutions. Four (4) of the eleven (11) members shall be from academic institutions that do not hold membership in ASERL. Two (2) shall be from non-academic institutions. The Executive Director of SOLINET shall serve as an *ex-officio* non-voting member. The Executive Committee identified in the "Articles of Incorporation of the Southeastern Library Network" and the Board of Directors are one and the same. (Amended April 28, 1977)

Section 2. The eleven (11) voting members from the SOLINET membership shall have staggered three-year terms. Initially, three of these Board members shall hold three-year terms, three shall hold two-year terms, and three shall hold one-year terms as elected at the March 9, 1973 membership meeting. The first regular terms begin July 1, 1973. In the 1977 election of non-academic institution representatives, one of those elected shall serve for three years and one for two years to be determined by lot following the election. (Amended April 28, 1977)

Section 3. Elections to fill expiring or vacant terms of SOLINET representatives on the Board of Directors shall be held at the annual membership meeting each year. The Chairman of the Board of Directors shall appoint a Nominating Committee of at least three members from the total membership. The Nominating Committee shall submit by mail to the membership at least thirty (30) days before the annual membership meeting at least one name for each vacancy on the Board of Directors. Additional nominations may be made from the floor. Any vacancy on the Board of Directors that occurs during the fiscal year shall be filled for the remainder of the fiscal year by action of the Board of Directors.

Section 4. The Board of Directors shall annually select its own Chairman, Vice-Chairman, Secretary, and Treasurer from among the eleven elected members, all to serve in these capacities for a fiscal year. Members may be reelected to Offices. These officers shall serve as the officers of the Association. (Amended April 28, 1977)

Section 5. Each member of the Board of Directors shall have one vote in all matters coming before the Board. A quorum shall consist of six (6) voting members. (Amended May 15, 1975)

Section 6. Members of the Board of Directors shall serve without compensation, but may be reimbursed from SOLINET funds for necessary travel and subsistence costs in connection with SOLINET business.

Section 7. Except as otherwise provided, the Board of Directors shall have corporate authority and control over all affairs of SOLINET, and shall prescribe and enforce all needful rules and regulations for the conduct of the business and affairs of SOLINET and the management of its property, subject to the provisions of its Articles of Incorporation and Bylaws. (Amended April 28, 1977)

Section 8. The Board of Directors has the responsibility for selection and appointing as well as dismissing the Executive Director of SOLINET. The Board of Directors must also approve, upon recommendation of the Executive Director, the chief administrative officers specifically including the Technical Director. The salaries of the professional staff shall be approved by the Board of Directors. (Amended April 28, 1977)

Section 9. The Board of Directors may establish such committees as may be necessary for the operation and development of the Network. Members of such committees need not be limited to members of the Board of Directors nor to representatives of SOLINET members. Specialists from outside the SOLINET membership, including those whose compensation and/or expenses are determined and authorized by the Board of Directors, may be appointed to committees.

Section 10. The Board of Directors shall authorize the Executive Director to negotiate agreements and contracts with various

groups and outside agencies as may be necessary, but must approve all such agreements when the amounts to be expended at one time exceed $10,000 or in one fiscal year $20,000. (Amended April 28, 1977)

Section 11. The SOLINET Board of Directors must approve program objectives, policies of the Network, and annual budgets for accomplishment of these objectives.

Section 12. The Board of Directors will advise the SOLINET Director on major committee and task group appointments.

Section 13. The Board of Directors will recommend guidelines for Network operation and subsequent modifications.

ARTICLE V.

OFFICERS

The duties of the several officers of the Corporation shall be as follows:

Chairman: The Chairman of the Board of Directors shall also be chairman of the Corporation and shall preside at all Membership and Board of Directors meetings; he shall have general and active management of the Board of Directors and the affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors and the Membership are carried into effect. He is responsible for calling regular and special meetings of the Membership and the Board of Directors for transaction of business in accordance with these Bylaws (Article VI., Sections 1 and 2).

Vice-Chairman: The Vice-Chairman shall be the presiding officer at Membership and Board of Directors meetings in the absence of the Chairman and, if necessary, fill the unexpired term of the Chairman.

Secretary: The Secretary shall attend all meetings of the Membership and the Board of Directors, record all votes and the minutes or the proceedings of all meetings, and be responsible for providing copies of minutes, after approval by the Board of Directors, to the Executive Director, who shall distribute them to the membership. (Amended April 28, 1977)

Treasurer: The Treasurer shall arrange for the custody and continued management of SOLINET funds with the advice of the SOLINET Board of Directors. He shall arrange for a monthly statement and annual review of the management of all SOLINET funds.He shall obtain an annual audit of SOLINET funds and present such audit to the SOLINET Board of Directors for action.

ARTICLE VI.

MEMBERSHIP MEETINGS

Section 1. An annual meeting of the members for the transaction

of business shall be held at such time and in such place as announced in writing to each Member by the Chairman of the Board of Directors at least thirty (30) days in advance of the meeting.

Section 2. Special Membership meetings shall be called by him on petition by twenty-five per cent of the members. Notice of a special meeting must be sent to each member by the Chairman of the Board of Directors at least fourteen (14) days in advance of the meeting.

Section 3. At any Membership meeting, a majority of the membership shall constitute a quorum.

Section 4. The Chairman of the Board of Directors shall be the presiding officer at Membership meetings. In his absence, the Vice-Chairman shall be the presiding officer.

Section 5. At any Membership meeting, each member shall be entitled to one vote.

ARTICLE VII.

ADMINISTRATION

Section 1. Responsibilities of the Executive Director

a. The Executive Director shall have authority in all matters relative to the operation of SOLINET except where specifically limited by the Board of Directors and by official policies of SOLINET. (Amended April 28, 1977)

b. The Executive Director shall recommend to the Board of Directors annual budgets and shall be responsible to the Board of Directors for all expenditures of the Network.

c. He shall be responsible to the Board of Directors for program determination and development.

d. The Executive Director, with the advice and approval of the Board of Directors, shall regularly inform the members of SOLINET on financial and administrative responsibilities and on the general status and progress of SOLINET's activities. This will be done at membership meetings, by circulation of the minutes of the Board of Directors meetings, by newsletters or any other appropriate means.

e. The Executive Director shall be responsible, with the Board of Directors, for raising funds through grants from funding agencies. He shall recommend the assessment of membership fees to the Board of Directors for approval before being submitted at any membership meeting and may be assisted in determining fees by a committee appointed by the Board of Directors (See Article IV., Section 9).

f. The Executive Director may negotiate agreements and contracts with various groups and outside agencies and establish

operational and technical relationships for the Network. Final agreements with these agencies must be approved by the voting members of the Board of Directors.

g. The Executive Director shall publish an annual report covering the activities and financial reports for the preceding fiscal year. (Amended April 28, 1977)

Section 2. Staff

The Executive Director is responsible for selecting and hiring the professional staff of SOLINET, but the chief administrative officers, specifically including the Technical Director, require the approval of the Board of Directors. (Amended April 28, 1977)

ARTICLE VIII.

PARLIAMENTARY AUTHORITY

The rules contained in the following cited work shall govern SOLINET meetings in all cases which are applicable:

Robert, Sarah Corbin. *Robert's Rules of Order*, Newly Revised. Glenview, Ill., Scott, Foresman. Latest edition.

ARTICLE IX.

AMENDMENTS

These Bylaws may be amended at the Annual Meeting of the Membership by a two-third vote of the members present and voting. Proposed amendments to the Bylaws must be submitted to the Chairman of the Board of Directors who is required to circulate them to the membership thirty (30) days prior to the Annual Meeting at which time they are to be voted on. Proposed amendments should be submitted to the Chairman of the Board of Directors in sufficient time to meet the deadline for mailing to the membership.

Appendix H
Memorandum of Agreement
Between The Southeastern Library Network and The Southern Regional Education Board

Introduction

This Memorandum of Agreement establishes procedures and conditions for regional cooperative activities in interlibrary network activities in the Southern region to be pursued jointly by the Southeastern Library Network (SOLINET) and the Southern Regional Education Board (SREB).

I. **Purpose**

SOLINET, in affiliation with SREB, shall establish and maintain an interlibrary network in the Southern United States which, through the use of electronic data processing and telecommunications, shall increase the availability of the bibliographic records and resources of the Southern region.

II. **Agreement**

A. SOLINET agrees:

1. to expand its Board of Directors from 9 to 11 members, two of whom shall be continuing representatives of and appointed by SREB from term to term;
2. to select and appoint, as well as retain or dismiss, the executive director of SOLINET; and
3. to determine program objectives of the network and the policies and annual budgets for accomplishment of these objectives.

B. SREB agrees:

1. to appoint its two representatives to the SOLINET Board of Directors;
2. to assume over-all administrative and fiscal responsibilities for the Network, subject to the policies, program objectives and annual budget determined by the SOLINET Board of Directors, to include
   a. assuming custody and management of funds then in possession of SOLINET and future collecting and disbursing of funds from various sources for the Network, with appropriate monthly accounting of such activities to SOLINET; on the condition that said funds be collected, disbursed and managed only in pursuit of specific SOLINET program objectives and within the SOLINET approved annual budget;

b. investing SOLINET funds within guiding principles stated by SOLINET, with interest from such investments credited to SOLINET;

c. developing in cooperation with SOLINET such relationships and arrangements as necessary to operate the Network;

d. soliciting jointly with SOLINET funds for effective operation of the Network as determined by the SOLINET Board of Directors; and

e. locating the network staff with SREB, such staff operating under personnel and administrative policies for SREB staff and various other special projects.

III. **Duration of this Agreement**

A. This Memorandum of Agreement shall become effective on March 14, 1974.

B. This Memorandum of Agreement shall be reviewed biennially, with automatic renewal for the same term unless notice to terminate is given.

C. Either party may withdraw from this agreement on six months' written notice to:

Chairman, SOLINET Board of Directors
Southern Regional Education Board
130 Sixth Street, N.W.
Atlanta, Georgia 30313

President
Southern Regional Education Board
130 Sixth Street, N.W.
Atlanta, Georgia 30313

Appendix I.
Financial Statements and Auditors' Opinion

HASKINS & SELLS

INTERNATIONALLY
DELOITTE, HASKINS & SELLS

35 BROAD STREET, N.W.
ATLANTA, GEORGIA 30303

AUDITORS' OPINION

Southeastern Library Network, Inc.:

We have examined the balance sheets of Southeastern Library Network, inc. as of June 30, 1977 and 1976 and the related statements of revenues, expenses, and fund balance and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the financial position of Southeastern Library Network, Inc. at June 30, 1977 and 1976 and the results of its operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Haskins & Sells

November 2, 1977

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SOUTHEASTERN LIBRARY NETWORK, INC.

BALANCE SHEETS

JUNE 30, 1977 AND 1976

	1977	1976
ASSETS		
CURRENT ASSETS:		
Cash, including savings account and certificate of deposit of $1,251,611 in 1977	$1,417,709	$ 81,084
United States Treasury bills		1,054,126
Accounts receivable from member libraries:		
Services and products	527,446	300,628
Membership dues and fees	9,830	36,525
Advance payments to The Ohio College Library Center for services to be received	62,500	108,007
Other assets	6,809	1,350
Total current assets	2,024,294	1,581,720
FURNITURE AND EQUIPMENT (net of accumulated depreciation of $6,055 in 1977 and $2,468 in 1976)	22,131	18,623
TOTAL	$2,046,425	$1,600,343
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued	$ 201,058	$ 187,143
Unearned revenue:		
Advance collections from member libraries for services to be rendered	769,130	511,710
Membership dues		750
Total current liabilities	970,188	699,603
FUND BALANCE:		
Designated by the Board of Directors for development of a library network and computer center (Note 3)	600,000	600,000
Undesignated	476,237	300,740
Total fund balance	1,076,237	900,740
TOTAL	$2,046,425	$1,600,343

See the Notes to Financial Statements.

SOUTHEASTERN LIBRARY NETWORK, INC.

STATEMENTS OF REVENUES, EXPENSES, AND FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

	1977	1976
REVENUES:		
Services and products:		
Sales to member libraries	$2,858,753	$2,051,286
Direct costs of services and products	2,514,499	1,812,418
Net operating revenues	344,254	238,868
Other revenues:		
Membership dues	94,537	17,250
Initial membership fees	26,330	75,618
Donated services (Notes 2 and 5)	44,757	74,825
Interest	55,967	47,685
Grants		3,400
Other	1,000	2,074
Total	566,905	461,720
EXPENSES:		
Salaries of staff	198,473	137,126
Deferred annuity and group insurance premiums, social security taxes, etc.	29,575	19,642
Fees for part-time consultants and assistants	1,765	3,255
Travel and conferences of staff, temporary committees, part-time consultants, etc.	29,243	35,083
Office operations	45,548	39,644
Rent, maintenance, and utilities	25,747	21,686
Depreciation of furniture and equipment	3,587	1,981
Professional services	10,800	14,741
Donated services (Notes 2 and 5)	44,757	74,825
Other	1,913	4,213
Total	391,408	352,196
REVENUES IN EXCESS OF EXPENSES	175,497	109,524
FUND BALANCE, BEGINNING OF YEAR	900,740	791,216
FUND BALANCE, END OF YEAR	$1,076,237	$ 900,740

See the Notes to Financial Statements.

SOUTHEASTERN LIBRARY NETWORK, INC.

STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

	1977	1976
SOURCE (USE) OF WORKING CAPITAL:		
Operations:		
Revenue in excess of expenses	$ 175,497	$ 109,524
Depreciation	3,587	1,981
Total	179,084	111,505
Additions to furniture and equipment	(7,095)	(7,802)
NET INCREASE IN WORKING CAPITAL	$ 171,989	$ 103,703
CHANGES IN ELEMENTS OF WORKING CAPITAL:		
Increase (decrease) in current assets:		
Cash	$1,336,625	$ (8,374)
United States Treasury bills	(1,054,126)	393,371
Accounts receivable:		
Services and products	226,818	52,352
Membership dues	(26,695)	36,525
Advance payments to The Ohio College Library Center	(45,500)	(78,019)
Other	5,452	(250)
Total	442,574	395,605
Less increase (decrease) in current liabilities:		
Accounts payable and accrued	13,915	(8,377)
Unearned revenue:		
Advance collections	257,420	300,129
Membership dues	(750)	150
Total	270,585	291,902
INCREASE IN WORKING CAPITAL	171,989	103,703
WORKING CAPITAL, BEGINNING OF YEAR	882,117	778,414
WORKING CAPITAL, END OF YEAR	$1,054,106	$ 882,117

See the Notes to Financial Statements.

SOUTHEASTERN LIBRARY NETWORK, INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 1977 AND 1976

1. GENERAL MATTERS

Southeastern Library Network, Inc. (SOLINET) provides computerized bibliographic services and library catalog cards to its member libraries, generally on a direct-cost-plus-surcharge basis. The direct costs of such services and products consist of costs billed by The Ohio College Library Center and telephone communication costs.

SOLINET is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions to SOLINET as provided in Section 170 of the Code. The Internal Revenue Service has issued a ruling stating that SOLINET will be treated as a publicly supported organization of the type described in Section 509(a)(1) of the Code and not as a private foundation.

2. SIGNIFICANT ACCOUNTING POLICIES

Donated services are recorded at their estimated value when the following circumstances exist:

The services performed are a normal part of the SOLINET program and would otherwise be performed by salaried personnel.

SOLINET exercises general control over the employment and duties of the donors of the services, within SOLINET's policies and program objectives.

SOLINET has a clearly measurable basis for the amount.

United States Treasury bills are stated at cost plus accrued discount.

Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed by the straight-line method based on the estimated useful lives of the classes of depreciable property, generally ten years for furniture and six years for equipment.

3. GRANT FOR DEVELOPMENT

In 1974 SOLINET received a $600,000 grant from the Andrew W. Mellon Foundation to assist in the development and initial operation of a computer-based library network in the southeastern United States. This amount has been designated by the Board of Directors for development and extension of new services. In July 1977, SOLINET entered agreements to acquire computer equipment for such purpose at a cost of $273,656 and to finance part of the acquisition by an installment purchase obligation of

$80,740 payable over a term of seven years with an interest rate of 7% per year.

4. PENSION PLAN

SOLINET has a contributory pension plan for eligible employees which provides for the purchase of individual deferred annuity contracts from Teachers Insurance and Annuity Association of America. Pension expense was $10,849 in 1977 and $6,748 in 1976.

5. DONATED SERVICES

Southern Regional Education Board has donated administrative and fiscal services to SOLINET under a memorandum of agreement. Volunteers have donated their services in developing technical programs and in budget planning for future network growth. They have also served without compensation as consultants to the staff on a variety of operational problems. These services have been accounted for as donations at their estimated value.

The logo on the cover is an abstract representation of the idea that a library network is composed of centers of information interconnected for mutual support to meet the user's needs. This report was set in Helvetica type. The cover was lithographed in two colors on Hammermill Laurentine sixty-five pound cover stock and the text is Hammermill Lustre seventy pound offset. Composition and layout by Composition Concepts, Inc. and printed by Williams Printing Co. of Atlanta. Report Editor — Jane Thatcher.